



**INSURANCE FRAUD INVESTIGATION DIVISION**  
**Kentucky Department of Insurance**  
**909 Leawood Drive, P. O. Box 4050, Frankfort, KY 40604-4050**  
**Phone 502-564-1461 – FAX 502-564-1464**  
*Fraud Statistics/Convictions Activity*  
*August 2013*

<u><b>Fraud Statistics</b></u>	<u><b>Month/August</b></u>	<u><b>YTD</b></u>
Total Referrals Received.....	156	1,122
Closed Referrals.....	48	623
Open Cases (Investigations – includes prior years).....		370
Assigned Cases (Investigations).....	15	172
Closed Cases (Investigations).....	1	135
Closed Cases (Investigations) Exceptionally Cleared – Declined by Prosecutor.....		2
Charges (1 felony, 0 misdemeanor) .....	1	139
Convictions (1 felony, 3 misdemeanor) .....	4	68
Restitution Ordered..... \$	56,033.53	177,647.31
Restitution Agreed..... \$	.00	.00
Restitution Total..... \$	56,033.53	177,647.31
Investigation Expenses to Division		
Awarded..... \$	5,000.00	22,024.01
Collected..... \$	1,613.79	26,335.67
DOI Fines..... \$	.00	.00
Administrative Subpoenas Issued.....	1	18
Non-Licensed Individuals.....	1	18
Licensed (active/inactive individuals).....		
Subpoenas Received.....	4	25

## **Convictions Activity**

**Misty Watts** – Watts, a branch manager for Liberty National Insurance, submitted insurance applications without the knowledge of the insured. Watts pleaded guilty to the charge of fraudulent insurance acts greater than \$500. She was sentenced to three years, probated for five years and ordered to pay \$15,282.49 in restitution.

**Alberto Perez** – Perez underreported payroll in an effort to avoid payment of workers' compensation insurance premiums. Perez entered a guilty plea to the amended charge of fraudulent insurance acts \$500 or less and was sentenced to six months in jail, probated for 24 months. Perez also was ordered to pay a \$5,000 fine to the Department of Insurance, restitution to Kentucky Employers' Mutual Insurance of \$38,151.04, and court costs.

**Isaiah Ellis (Mohammad)** – Ellis posed as an insurance agent selling auto insurance that did not exist. Ellis pleaded guilty to two counts of fraudulent insurance acts \$500 or less. He was sentenced to one year in jail, probated for two years. He also was ordered to pay restitution of \$2,600 to individual victims.